

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 16882
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

This case arises from a timely protest of a State Tax Commission staff's (staff) decision adjusting property tax reduction benefits for 2002. This matter was submitted for a decision based on the documents in the file. The State Tax Commission has reviewed the file and makes its decision thereon.

[Redacted] (petitioner) filed a property tax reduction application on or about April 3, 2002. During review of that application and the accompanying [Redacted], the staff discovered the application and financial information provided were not complete. All identifying names and social security numbers were either omitted or obliterated. Because the petitioner had provided no information identifying her, [Redacted], as recognized as disabled and the recipient of income, the staff was unable to approve her property tax reduction application.

The staff sent the petitioner a letter advising her that her application for property tax reduction benefits was going to be denied. The petitioner protested the intended action. She said she did not understand why her application should be denied. The petitioner's file was transferred to the Legal/Tax Policy Division for administrative review.

All property within the jurisdiction of this state is subject to property taxes. A claimant who qualifies for property tax reduction is given a benefit for a portion of the property taxes on the dwelling he/she owns and occupies. That benefit is in the form of a payment (either total or partial) of the applicant's property taxes. The payment is funded by the general state sales taxes.

Idaho Code § 63-701 uses a series of definitions to describe the qualifications for benefits:

63-701. Definitions. -- As used in this chapter:

(1) **"Claimant" means a person who has filed a claim** under the provisions of sections 63-701 through 63-710, Idaho Code. Except as provided in section 63-702(2), Idaho Code, on January 1 of the year in which the claim was filed a claimant must be an **owner of a homestead and be:**

- (a) Not less than sixty-five (65) years old; or
- (b) A child under the age of eighteen (18) years who is fatherless or motherless or who has been abandoned by any surviving parent or parents; or
- (c) A widow or widower; or
- (d) A disabled person who is recognized as disabled by the social security administration pursuant to title 42 of the United States Code, or by the railroad retirement board pursuant to title 45 of the United States Code, or by the office of management and budget pursuant to title 5 of the United States Code; or
- (e) A disabled veteran of any war engaged in by the United States, whose disability is recognized as a service-connected disability of a degree of ten percent (10%) or more, or who has a pension for nonservice-connected disabilities, in accordance with laws and regulations administered by the United States veterans administration; or
- (f) A person, as specified in 42 U.S.C. 1701, who was or is entitled to receive benefits because he is known to have been taken by a hostile force as a prisoner, hostage or otherwise; or
- (g) Blind.

(2) **"Homestead" means the dwelling, owner-occupied** by the claimant as described in this chapter and used as the primary dwelling place of the claimant and may be occupied by any members of the household as their home, and so much of the land surrounding it, not exceeding one (1) acre, as is reasonably necessary for the use of the dwelling as a home. It may consist of a part of a multidwelling or multipurpose building and part of the land upon which it is built. "Homestead" does not include personal property such as furniture, furnishings or appliances, but a manufactured home may be a homestead.

(3) **"Household" means the claimant** and the claimant's spouse. The term does not include bona fide lessees, tenants, or roomers and boarders on contract. "Household" includes persons described in subsection (8)(b) of this section.

(4) **"Household income" means all income received by the claimant** and, if applicable, the claimant's spouse, in a calendar year.

(5) **"Income" means the sum of federal adjusted gross income** as defined in the Internal Revenue Code, as defined in section 63-3004, Idaho Code, and to the extent not already included in federal adjusted gross income: (Emphasis added.)

Latah County records show the petitioner holds title in fee simple to the property for which she has applied for the property tax reduction benefits. She signed the application for benefits; therefore, she qualifies to be considered the claimant. However, that is where the petitioner's qualifications end. There is nothing within the application to indicate how the petitioner qualifies except a box next to "Recognized disabled: Soc. Sec. Adm." is checked. The area in the application for a claimant to show his/her birth date is blank. In the area for a claimant to show his/her social security number is written, "See form SSA-1099."

The application asks the applicant to grant permission "to any government agency and contractor to confirm my status and to reveal to the Idaho State Tax Commission the total monetary payments made to me or my spouse during 2001." The petitioner marked the "no" box and added a note saying "Re: protection order records sealed."

The attached Form SSA-1099 – Social Security Benefit Statement had been altered to remove the name and social security number of the recipient of the benefits. Only the amounts paid are legible. The following statement was written across the top of the form: "Protection order in force not to be disclosed. [Redacted] 4-3-02 – Dental/Medical." A copy of a medical form is also attached showing medical and dental expenses but no name of who received the care. No other information was provided.

Idaho Code § 63-707(5) and (6) provide for review by the Tax Commission:

(5) The state tax commission may audit each and every claim submitted to it, and, any other provision of law notwithstanding, may utilize income tax returns filed by the claimant or by the claimant's spouse to determine the income of the claimant or the claimant's spouse.

(6) If it is determined by the state tax commission that a claim is erroneous, **the tax commission shall disapprove so much of the claim as necessary in order to conform with statutory standards.**

The tax commission shall provide the claimant, or the person or entity acting on behalf of the claimant, written notice of the tax commission's intent to disapprove all or a portion of the claim. . . .

(Emphasis added.)

Without a name and social security number, the Tax Commission cannot confirm the petitioner's status of recognized as disabled by social security or that she qualifies for benefits based on her 2001 income. Without the name and social security number of the person applying for benefits, the Tax Commission is unable to "conform with statutory standards" as required by Idaho Code § 63-707(6).

The petitioner's property tax reduction benefits for 2002 must be denied.

The State Tax Commission is aware there is some potential this decision could cause a hardship to the property tax reduction applicant in certain circumstances. The proper jurisdiction to handle such hardship situations falls with the county commissioners pursuant to Idaho Code § 63-711.

WHEREFORE, the decision of the State Tax Commission's staff to reduce the amount of property tax reduction benefits is APPROVED, AFFIRMED and MADE FINAL.

An explanation of the petitioner's right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2002.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that I have on this _____ day of _____, 2002, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]
